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Ex-Intelligence Agents Are Said to Have Major Roles in Oman

The following article is based on reporting by Judith Miller and Jeff Gerth and was written by Mr. Gerth.

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WASHINGTON, March 25 — Among the foreign advisers who have played a major role in the Persian Gulf nation of Oman is a former senior Central Intelligence Agency official who heads an American corporation that manages the country's most strategic region.

The corporation, Tetra Tech International, has a contract with the Government of Oman to manage the development of the Masandam Peninsula that

Second of two articles on Oman.

sits astride the Strait of Hormuz, which separates the area from Iran and through which travels a significant amount of the West's oil.

For other Americans, even such official visitors as Congressional staff members, the sensitive Masandam region is off-limits, according to two American officials who recently visited Oman and were not allowed to tour the area.

The parent of Tetra Tech International is Tetra Tech, which is based in Pasadena, Calif., and specializes in providing products and services in the areas of water and energy resources. It is a subsidiary of Honeywell Inc., a leading United States military contractor with headquarters in Minneapolis.

Tetra Tech International helps manage several key Omani Government agencies in addition to Masandam Province, and the company and its parent work for both commercial and government customers in several other Middle Eastern countries, including Saudi Arabia, as well as in the United States.

The president of Tetra Tech International and the man who helped to get its contract in Oman is James H. Critchfield, who, before joining the company in 1975, had an interest in Oman, working for the C.I.A. both as head of the Middle East desk and later as the chief intelligence official for energy, according to former intelligence officials and public documents.

Mr. Critchfield is among about 20 American, British and Arab advisers to the country's ruler, Sultan Qabus bin Said, who have helped shape the country's foreign and domestic policies. Like Mr. Critchfield, many of the advisers have intelligence backgrounds.

In an interview late last year, Mr. Critchfield acknowledged that he is one of the closest American advisers to Oman's ruler, and he said he no longer had anything to do with the C.I.A.

Yet there is a widespread perception in Oman that Mr. Critchfield and others with intelligence backgrounds retain ties to their former employers. As a result, Western and Omani officials said, the role of Westerners in Oman has become a subject of dispute.

An Active Area For Spy Agencies

The Middle East has long been a caldron of intrigue and foreign intelligence activities by both Western and Communist countries; the Russians, the officials noted, are known to be active throughout much of the region, primarily in Syria, Libya and Southern Yemen.

In addition, Western and Arab officials said, for many in the Middle East, truth and rumor are often blurred, and perceptions tend to be as politically important as fact. One of the legacies they said, is that Omanis tend to believe that former associations with intelligence agencies continue.

The perceptions are often enhanced by the nature of the C.I.A. itself, the officials said, in part because the agency has a variety of relationships with outsiders ranging from contract employees to part-time informants to contacts like businessmen and journalists who debrief the agency on various matters.

The issue of advisers in Oman figures in an investigation by the Securities and Exchange Commission into millions of dollars in payments made by Ashland Oil to secure business in Oman.

The investigation is into possible violations by Ashland of the Foreign Corrupt Practices Act, which forbids payments by American companies to foreign officials. The recipients of some of the payments, Timothy Landon, a British military official, and Yehia Omar, a Libyan exile, have both been Omani advisers, according to official diplomatic registers.

Mr. Landon and Mr. Omar have had past dealings with the C.I.A., according to several Omani officials, former American intelligence officials and the Ashland public documents, which were submitted to a Congressional committee and filed with the S.E.C.

Mr. Landon, who lives in England and no longer has an official role in Oman, declined a request to be interviewed. A spokesman for Mr. Omar, who also no longer has an official role in Oman, said Mr. Omar would not talk with the press.

Roles for Foreigners After 1970 Coup

The relationships between foreign advisers and Oman blossomed soon after the coup in 1970 that brought Sultan Qabus to power, according to Omani and Western officials, some of the advisers and public documents.

Since then, the advisers have been involved in writing Omani laws, establishing diplomatic relationships between Oman and its neighbors, providing security for the nation's ruler and lobbying for Oman in the United States.

In 1971, Robert B. Anderson, a former Secretary of the Treasury in the Eisenhower Administration, became an unpaid economic adviser to the Sultan. His job, he said in an interview late last year, was "to consult on ways to improve their economy" and get Oman "out from under the dominance of the British," who arrived in the country before the American advisers.

Mr. Anderson said his Omani role was arranged in part by Ghassan Shakir, a Saudi with close ties to the United States and Mr. Anderson. Mr.

Shakir also became an adviser to the Sultan, as did Mr. Omar, the Libyan exile, according to American intelligence officials and a 1981 report prepared by Ashland Oil lawyers for the company's board of directors. The report investigated allegations by Ashland officials involved in Omani business ventures that payments to Mr. Omar and Mr. Landon had violated the Foreign Corrupt Practices Act; it concluded that the payments did not violate the law.

Mr. Omar and Mr. Shakir later came under criticism from British bankers and Omani officials for millions of dollars in commissions they made during Oman's development in the 1970's, according to Omani officials and the 1981 Ashland report filed with the S.E.C. No formal charges were ever brought against the two men.

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Mr. Shakir, who lives in Saudi Arabia, could not be reached for comment through his business associates, who declined to discuss his work in Oman.

The Sultan's new, outside economic advisers also became involved in foreign affairs. Mr. Anderson said he was personally responsible for Oman's re-establishing long dormant diplomatic relations with key neighbors like Saudi Arabia.

In 1971, as a result of Mr. Anderson's close ties with King Faisal of Saudi Arabia, Sultan Qabus made a state visit to Saudi Arabia, leading to the eventual establishment of diplomatic relations between the two countries, according to Mr. Anderson and American and Omani officials.

In another diplomatic venture, Mr. Omar helped smooth Oman's relations with other Arab countries and played a key role in getting the Sultan to refrain from denouncing Egypt for signing the 1978 Camp David accords, according to several Omani officials and Ashland oil documents that have been made public.

Omanis Turned To Other Americans

The Omanis turned to other Americans to assist in economic development. In 1972, an American energy consultant, C. Stirling Snodgrass, was brought in by the Omanis to organize that country's petroleum ministry, according to Omani officials and other sources.

According to two former United States intelligence officials, while working for Oman, Mr. Snodgrass also had a secret relationship with the C.I.A. and headed two C.I.A.-owned energy consulting companies in Washington until he died in 1974.

Thomas W. Hill Jr., an American attorney, became legal adviser to the Sultan in 1972 as a result of introductions to Omani officials by Mr. Anderson, according to a former American adviser to the Omani Government. Over the next several years Mr. Hill was said to have written several Omani laws in the areas of commerce, banking and ethics.

In addition, Mr. Hill was said to have provided a legal opinion that enabled Oman to void an earlier petroleum concession and award it, with the help of Mr. Anderson, to another venture.

Mr. Hill no longer works for the Omani Government, but still does business in the country representing foreign businessmen. Mr. Hill was asked to be interviewed on his involvement in Oman and declined to comment, but he did say that he had not ever worked for the C.I.A.

On another matter, Mr. Anderson said that he had arranged a marine survey contract in the early 1970's for an American company.

The Sultan's uncle, Tariq bin-Taimur, who was Prime Minister at the time, voiced concern about the marine contract and asserted that it was a cover for C.I.A. operations in the Indian Ocean, according to Omani and British officials. The assertion was subsequently denied by Americans working on the project.

U.S. Embassy Aide Asked About C.I.A.

C. Patrick Quinlan, who was chargé d'affaires and the highest-ranking State Department official in the country in the early 1970's, said in an interview in 1983 that he had raised questions about C.I.A. connections to Omani advisers. Mr. Quinlan said his protests were based on his concern that foreign policy was being undermined by back-channel discussions.

"I discovered that the C.I.A. had connections with Robert Anderson and Omar," he said.

Referring to perceptions by many Omanis, he added: "It was widely believed they were associated with the C.I.A., and I didn't know what representations they were making to his majesty in the name of the United States. They were unofficial representatives of the U.S. Government."

Mr. Quinlan said he was also concerned about "the large commissions" being paid to Mr. Omar. In addition, he said, he recommended that ties between the C.I.A. and the Omani advisers be dropped.

But, he said, he soon changed jobs and never heard back from the State Department. State Department officials said they were unable to find the relevant documents in response to a two-year effort to obtain them under the Freedom of Information Act.

Mr. Anderson said in an interview that he was unaware of Mr. Quinlan's protests. He said he had voluntarily reported information to the C.I.A., "if I learned something of advantage to the Administration," but said he had not had any "official responsibilities" on behalf of the agency.

A Washington attorney who has represented Mr. Omar, Myles Ambrose, said Mr. Omar did not talk to the press.

Sultan Visited U.S., And Relations Improved

In 1975, with the help of Mr. Omar, Sultan Qabus made his first official visit to the United States, meeting with President Ford and other top officials, according to Omani officials. One former Omani official said that at the meeting, the United States agreed to the sale of TOW antitank missiles to Oman and that Mr. Omar received a commission on the sale.

Relations between the United States and Oman improved after the 1975 meetings. In the next few years, wealthy advisers to the Omanis like Mr. Omar and Dr. Omar Zawawi, an Omani businessman and adviser to the Sultan, began making investments in the United States and elsewhere with the help of Mr. Hill, Mr. Critchfield and several former officials who had left the Ford and Nixon Administrations, according to public records. Dr. Zawawi, many advisers say, has come to symbolize American interests in Oman because he represents so many American and British companies doing business there.

Others who became involved in Oman, according to the Western and Omani officials, included a former C.I.A. employee who installed security devices and electronic gear in the palace. He was still an adviser in charge of communications for the palace as of December 1984, the officials said.

Chester A. Nagle, whom Omani and Western officials and public Ashland documents identified as another former Central Intelligence Agency employee, was involved in the sale of security equipment to Oman, according to an Omani official.

Mr. Nagle now edits a military and diplomacy magazine in Virginia. After repeated requests for an interview, Mr. Nagle's administrative assistant, Leslie Roper, said, "I don't think he has anything he wants to talk to you about."

In 1979, Mr. Nagle registered with the Justice Department as a foreign agent of Oman, working for the palace office until 1982, according to public records. State Department documents show that in 1983, Mr. Nagle was listed as a special assistant to the palace office.

According to Omani and American officials and foreign agent registration records at the Justice Department that were filed by Mr. Nagle, Mr. Nagle was hired by Mr. Landon, the British military officer.

Mr. Landon has held various official positions within Oman. Though he is now based in England and most of his Omani dealings are in the commercial area, he is still considered to have the best access to the Sultan among non-Omanis, Omani and Western officials said.

According to an Omani adviser, Mr. Landon is also the main connection in Oman for Mr. Critchfield, the president of Tetra Tech.

Some See Company As Political Liability

A few Omani officials said that the activities of Mr. Critchfield and his company could become a political liability for the Omani Government should more Omanis learn about the company's role in the country.

They said that some Omanis objected to the Sultan's having turned over as much civil authority to a private company, especially because of the widespread perception that Mr. Critchfield retained ties to the C.I.A. despite Mr. Critchfield's denial of any present links to the agency.

But other Omani officials praised Tetra Tech's work and said Mr. Critchfield had been a positive influence in trying to curb corruption within Oman and expand the country's educational and public services.

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In the Masandam province, Tetra Tech is in charge of speeding the development of the sparsely populated but strategic area and overseeing the development of communications, construction, transportation, public health, water, electricity, roads and

ports and harbors, according to a Tetra Tech official. The American company has the same arrangement in another strategic province, Dhahira.

Some Omani and American officials have criticized the company's arrangements with the Omani Government in Masafidam, in part, they said, because of the large payments the company receives from the Omani Government to develop the area. A Tetra Tech spokesman defended the size of the contract on the grounds of the region's strategic importance and the difficulty and expense of development in the harsh mountainous terrain.

Tetra Tech also advises the petroleum ministry on hydrocarbons, oil and gas as well as providing technical staff to the Omani Public Authority for Water Resources.

In addition to its operations in the Middle East, Tetra Tech has worked elsewhere. In November, a ship the company had hired, the Seaward Explorer, broke down and drifted into Cuban waters, and the aircraft carrier Nimitz was sent to the area. Pentagon officials said at the time that the Nimitz was sent to dissuade the Cubans from taking hostages. Navy officials said that before developing engine trouble, the Seaward Explorer had been gathering hydrographic information along the Haitian coast under a Navy contract.